

## **DOCUMENTATION OF CONTRACTOR CLAIMS**

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**DATE:** January 18, 1993

**TO:** District Engineer  
District Field/Construction Engineers  
Resident/Project Engineers

**FROM:** Gerald D. Dobie  
Engineer of Construction

**SUBJECT: DOCUMENTATION OF CONTRACTOR CLAIMS**

The Office of Commission Audit has just completed an audit on contractor claims and has recommended that the Construction Division improve the documentation of construction claims.

The 1990 Standard Specifications, Section 1.05.12, provide a procedure whereby the contractor is to notify the engineer of his intention to make claim, is instructed in how to file a claim, is required to follow specific record keeping procedures, and is instructed in calculation of a claim.

Robert Welke's letter to prequalified contractors dated May 21, 1992, outlines the steps and procedures for the review of contractor claims.

Following are guidelines to improve the documentation and inspection of imminent contractor claims:

1. At the first indication of a claim for extra compensation, the engineer will take action to assure that all necessary information and documentation is gathered to respond to the claim and that requirements of contract documents are followed.
2. Review Robert Welke's letter of May 21, 1992, and follow the procedure. (Attached).
3. The engineer will provide sufficient manpower to satisfactorily document and inspect the work that is subject to claim.

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4. The engineer will keep records of the actual cost of the work or delays pertaining to the claim. This can be done by keeping force account records. The 1990 Standard Specifications, Section 1.09.05 and Section 1.09.06, specify the method of documenting and calculating force account work.

The Construction Manual, pages 1-123 and 1-136, outlines the forms and methods of keeping force account records for labor, equipment, and materials. The CPRKS, Version 3.0, using pen-based computer technology, will help in documentation. Also, the most important type of documentation on a project is the Inspector's Daily Report (1122, 1122A, 1122B). It is important that this document be prepared completely, correctly, and legibly.

5. All correspondence from the contractor pertaining to the claim should be answered in writing as soon as possible, especially letters that have conflicting statements.

Minutes should be taken at meetings pertaining to the claim, typed, and copies should be sent to all participants.

Everyone involved in the claim should be informed of his responsibilities.

6. Photographs and video tapes should be taken if a claim is imminent; especially claims involving differing site conditions and significant changes in character of work and to document progress.

All project offices have cameras that record time and date on the photo. All district offices have video cameras available.

7. The engineer should make a thorough review of the progress schedule and its controlling items at the preconstruction meeting. (See CIM 1992-12). From the Inspector's Daily Reports and other supporting documentation, the engineer should be able to compare the as-built schedule versus the contract schedule.

This comparison is important in resolving claims due to delays caused by weather, utilities, changes, right-of-way, and granting of extensions of time.

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8. Additional documentation and inspection is necessary to strengthen the Department's position on a claim, establishing damages, determining delays, and evaluating the reasonableness of claims.

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Engineer of Construction

GDD:KAG:jd

Attachment

cc: Staff Engineers  
Staff Technicians  
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M & T Division  
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Subject Index: Central Office Review